HONORING VENTURA COUNTY ECONOMIC DEVELOPMENT ASSOCIATION 60TH ANNIVERSARY

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 2009

Mrs. CAPPS. Madam Speaker, today I rise to honor the 60th anniversary of the Ventura County Economic Development Association, VCEDA.

In the past two decades, VCEDA has been actively involved in a myriad of projects aimed at maintaining the economic vitality of the county, including BRAC '95 and '05 to protect our military bases; mediating air quality issues to resolve differences and prevent costly court battles; working with schools, businesses and corporate executives to determine needs for a skilled trained workforce; and working with local governments to remove unwarranted obstacles to the growth of business and industry.

VCEDA has played an important role in bringing and continuing to support Channel Islands State University in Ventura County. And it has set a goal of working with all educators at all levels to ensure that the upcoming workforce is ready to meet the needs of business in the 21st century.

Most recently, VCEDA has been recognized as ''The Champion of Job Growth'' by the Workforce Investment Board of Ventura County, ''The Small Business Advocate'' by the Pacific Coast Business Times and received ''The Distinguished Business Leader Award'' by the Ventura County Leadership Academy.

I commend VCEDA for its outstanding leadership and commitment in serving the needs of its members and the surrounding community.

HONORING THE LIFE OF T.D. STEINKE

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 2009

Mr. EDWARDS of Texas. Madam Speaker, I rise today to honor the memory of T.D. Steinke.

I will deeply miss our friend. T.D. Steinke. It has been a blessing in my life to have had T.D. as a friend for 26 years.

T.D. always stood up for the dignity of average working families. In doing so, he inspired me and so many others to remember the people who are the heart and soul of our Nation's economy and our values.

I guess it's a surprise to no one that T.D. was a Democrat's Democrat.

That is why my prayer today is that St. Peter is not a Republican. However, if I am wrong, I have no doubt that T.D. is working to convert him.

As I listened to President Obama's inaugural address yesterday, I couldn't help but think about T.D. and how much he would have savored a Democrat being sworn in as our new president.

Then, as I looked out at the crowds of over 2 million people, I realized that T.D. had just decided he would rather watch the inauguration from a better place.

Ruth, I want to thank you and your family for sharing T.D. with all of us, who will always be part of our family.

I thank God for giving us the blessing of T.D. and pray that He will give you strength and comfort in the years and days ahead.

TARP REFORM AND ACCOUNTABILITY ACT OF 2009

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 14, 2009

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise today in strong support of H.R. 384, the Troubled Assets Relief Program (TARP) Reform and Accountability Act of 2009. This bill will amend the TARP provisions of the Emergency Economic Stabilization Act of 2008, EESA, to strengthen accountability, close loopholes, increase transparency, and most importantly, require the Treasury Department to take significant steps on foreclosure mitigation.

Madam Speaker, I was particularly pleased to work with Chairman FRANK and his staff on significant portions of the Manager's amendment to this legislation which ensures that small and minority businesses along with local, community, and private banks gain fair and equitable access to the TARP funds.

It's been 3 months since the Treasury started disbursing TARP funds. Just in time perhaps for a lot of big banks, however smaller banks have been locked out so far. A lot of small banks certainly are in need of relief as the real estate crisis continues to unfold and hundreds have already applied.

According to recent reports, the Treasury Department has yet to issue ''the necessary guidelines for about 3,000 additional private banks. Most of them are set up as partnerships, with no more than 100 shareholders. They are not able to issue preferred shares to the government in exchange for capital injections, as other banks can.'' While Treasury officials state they are ''working on a solution,'' for these private banks time is of the essence.

The Treasury Department has handed out more than $155 billion to 77 banks. Of that sum, $115 billion has gone to the eight largest banks. Community banks hold 11 percent of the industry's total assets and play a vital role in small business and agriculture lending. Community banks provide 29 percent of small commercial and industrial loans, 40 percent of small commercial real estate loans and 77 percent of small agricultural production loans.

This Manager's amendment requires that the Treasury Department act promptly to permit smaller community financial institutions and specifically private banks that have been shut out so far in participating on the same terms as the large financial institutions that have already received funds.

This is a major change for millions of Americans who bank in private banks and who deserve the same access to needed capital. Small businesses are the backbone of our Nation, and unfortunately, they have not been afforded the opportunity that large financial institutions have received to TARP funds and loans. Small businesses represent more than the American dream—they represent the American economy. Small businesses account for 95 percent of all employers, create half of our gross domestic product, and provide three out of four new jobs in this country. Small business growth means economic growth for the Nation. We cannot stabilize and revitalize our economy without ensuring the inclusion and participation of the small business segment of our economy. With the ever worsening economic crisis, we must ensure in this legislation that small and minority businesses and community banks are afforded an opportunity to benefit from this important legislation. I am very pleased that the Manager's amendment will affect this change.

In Section 107, the Manager's amendment creates an Office of Minority and Women Inclusion, which will be responsible for developing and implementing standards and procedures to ensure the inclusion and utilization of minority and women-owned businesses. These businesses will include financial institutions, investment banking firms, mortgage banking firms, broker-dealers, accountants, and consultants.

Furthermore, the inclusion of these businesses should be at all levels, including procurement, insurance, and all types of contracts such as the issuance or guarantee of debt, equity, or mortgage-related securities. This office will also be responsible for diversity in the management, employment, and business activities of the TARP, including the management of mortgage and securities portfolios, making of equity investments, the sale and servicing of mortgage loans, and the implementation its affordable housing programs and initiatives.

Section 107 also calls for the Secretary of the Treasury to report to Congress in 180 days detailed information describing the actions taken by the Office of Minority and Women Inclusion, which will include a statement of the total amounts provided under TARP to small, minority, and women-owned businesses. The Manager's amendment in Section 404 also has clarifying language ensuring that the Secretary has authority to support the availability of small business loans and loans to minority and disadvantaged businesses.

This will be critical to ensuring that small and minority businesses have access to loans, financing, and purchase of asset-backed securities directly through the Treasury Department or the Federal Reserve.

H.R. 384 reforms TARP by increasing oversight, reporting, monitoring and accountability. It requires any existing or future institution that receives funding under TARP to provide no less than quarterly public reporting on its use of TARP funding. Any insured depository institution that receives funding under TARP is required to report quarterly on the amount of any increased lending (or reduction in decrease of lending) and related activity attributable to such financial assistance.

In connection with any new receipt of TARP funds, Treasury is also required to reach an agreement with the institution, and its primary Federal regulator on how the funds are to be used and benchmarks the institution is required to meet so as to advance the purposes of the Act to strengthen the soundness of the financial system and the availability of credit to the economy. In addition, a recipient institution's primary Federal regulator must specifically examine use of funds and compliance with any program requirements, including executive compensation and any specific agreement terms.

Madam Speaker, I am pleased that this legislation has strong requirements regarding executive compensation. For any new receipt of TARP funds (except those by small financial institutions), this legislation applies the most stringent non-tax executive compensation restrictions from EESA across the board including:

1. Requiring Treasury to prohibit incentives that encourage excessive risks,

2. Providing for claw-back of compensation received based on materially inaccurate statements; and

3. Prohibits all golden parachute payment for the duration of the investment.

Included in this legislation is a requirement of government board representation by authorizing Treasury to have an observer at board or board committee meetings of recipient institutions. This legislation changes to structure and authority of TARP board—the Financial Stability Oversight Board is expanded to include the chairman of the FDIC and two additional members who are not currently Federal employees, who shall be appointed by the President and subject to Senate confirmation. The board will have the authority to overturn policy decisions of the Treasury Secretary by a ⅔ vote.

Madam Speaker, the Act provides that the second $350 billion is conditioned on the use of up to $100 billion, but no less than $40 billion, for foreclosure mitigation, with plan required by March 15, 2009. By that date, the Secretary shall develop, subject to TARP Board approval, a comprehensive plan to prevent and mitigate foreclosures on residential mortgages. The Secretary shall begin committing TARP funds to implement the plan no later than April 1, 2009. The Secretary must certify to Congress by May 15, 2009, if he has not committed more than the required minimum $40 billion.

The foreclosure mitigation plans must apply only to owner-occupied residences and shall leverage private capital to the maximum extent possible consistent with maximizing prevention of foreclosures. Treasury must use some combination of the following program alternatives:

1. Guarantee program for qualifying loan modifications under a systematic plan, which may be delegated to the FDIC or other contractor

2. Bringing costs of Hope for Homeowner loans down (beyond mandatory changes in Title V below), either through coverage of fees, purchasing H4H mortgages to ensure affordable rates, or both

3. Program for loans to pay down second lien mortgages that are impeding a loan modification subject to any writedown by existing lender Treasury may require

4. Servicer incentives/assistance—payments to servicers in connection with implementation of qualifying loan modifications

5. Purchase of whole loans for the purpose of modifying or refinancing the loans (with authorization to delegate to FDIC)

In consultation with the FDIC and HUD and with the approval of the board, Treasury may determine that modifications to an initial plan are necessary to achieve the purposes of this act or that modifications to component programs of the plan are necessary to maximize prevention of foreclosure and minimize costs to the taxpayers.

A safe harbor from liability is provided to servicers who engage in loan modifications, regardless of any provisions in a servicing agreement, so long as the servicer acts in a manner consistent with the duty established in the Homeowner Emergency Relief Act, maximize the net present value, NPV, of pooled mortgages to all investors as a whole; engage in loan modifications for mortgages that are in default or for which default is reasonably foreseeable; the property is owner-occupied; the anticipated recovery on the mod would exceed, on an NPV basis, the anticipated recovery through foreclosure.

This bill requires persons who bring suit unsuccessfully against servicers for engaging in loan modifications under the Act to pay the servicers' court costs and legal fees. It also requires Servicers who modify loans under the safe harbor to regularly report to the Treasury on the extent, scope and results of the servicer's modification activities.

In addition to the above requirements, an Oversight Panel is required to report to Congress by July 1 on the actions taken by Treasury on foreclosure mitigation and the impact and effectiveness of the actions in minimizing foreclosures and minimizing costs to the taxpayers.

H.R. 384 clarifies and confirms Treasury authorization to provide assistance to automobile manufacturers under the TARP. With respect to the assistance already provided to the domestic automobile industry, includes conditions of the House auto bill, including long-term restructuring requirements.

There is further clarification on:

Treasury's authority to provide support to the financing arms of automakers for financing activities is clarified to ensure that they can continue to provide needed credit, including through dealer and other financing of consumer and business auto and other vehicle loans and dealer floor loans.

Treasury's authority to establish facilities to support the availability of consumer loans, such as student loans, and auto and other vehicle loans. Such support may include the purchase of asset-backed securities, directly or through the Federal Reserve.

Treasury's authority to provide support for commercial real estate loans and mortgage-backed securities.

Treasury's authority to provide support to issuers of municipal securities, including through the direct purchase of municipal securities or the provision of credit enhancements in connection with any Federal Reserve facility to finance the purchase of municipal securities.

In addition, more reforms are enunciated for Homeowners in Title V. The Home Buyer Stimulus provisions require Treasury to develop a program, outside of the TARP, to stimulate demand for home purchases and clear inventory of properties, including through ensuring the availability of affordable mortgage rates for qualified home buyers.

In developing such a program Treasury may take into consideration impact on areas with the highest inventories of foreclosed properties. The programs will be executed through the purchase of mortgages and MBS using funding under HERA. Treasury will provide mechanisms to ensure availability of such reduced rate loans through financial institutions that act as either originators or as portfolio lenders.

Under this provision, Treasury has to make affordable rates available under this program available in connection with Hope for Homeowner refinancing program.

This legislation will give a permanent increase in FDIC and NCUA Deposit Insurance Limits, it makes permanent the increase in deposit insurance coverage for banks and credit unions to $250,000, which was enacted temporarily as part of the Emergency Economic Stabilization Act and is scheduled to sunset on December 31, 2009, and includes an inflation adjustment provision for future coverage.

Finally, I applaud Chairman FRANK and the Committee on Financial Services for their hard work on this important piece of legislation. In this economic climate it is critical for us to remember that while we need to assist our financial institutions, we cannot do this without implementing reforms to protect Americans' hard-earned money.

Madam Speaker, I strongly urge my colleagues to join me in support of this important legislation.

HONORING DR. LUIS CONTE-AGUERO

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 2009

Ms. ROS-LEHTINEN. Madam Speaker, I would like to take this opportunity to recognize the life and work of Dr. Luis Conte-Aguero who has devoted himself to fighting communism in Cuba and spreading democracy throughout the entirety of Latin America.

While Dr. Luis Conte-Aguero is not a native-born American, he has served as a shining example of patriotism for all in our community. Since his arrival to the U.S. in 1960, he has worked tirelessly for freedom and democracy around the globe.

As a young philosophy student at the University of Havana, Dr. Conte-Aguero befriended another student named Fidel Castro. However, after the fall of President Fulgencio Batista, Castro revealed his true intentions for Cuba. Dr. Conte-Aguero vehemently fought Castro in hopes of preventing Cuba from becoming a communist state.

In 1960, Dr. Conte-Aguero was forced to flee Cuba, leaving his home and everything that he knew and loved. He took with him nine handwritten notes in his pocket which Fidel Castro wrote him while in prison in the 1950's. The Prison Letters of Fidel Castro has since served as a platform from which Dr. Conte-Aguero could expose the atrocities committed by Castro to the world.

The Prison Letters of Fidel Castro was only the beginning for this storied and well celebrated poet whose honors are numerous, meritorious, and well-deserved. The Dominican Republic has honored him as "The Highest Voice in America"; in Uruguay, he was selected by delegates from 14 nations to be the President of Alliance for Freedom; and his contributions to the Dominican Republic and its quest for freedom were recognized by the country's armed forces in 1965 when he was awarded the title of "Continental Leader and Standard Bearer of Democracy in America."

I pray that many more in America and around the world will choose to follow the example of Dr. Luis Conte-Aguero. It is a blessing that the elegance of his pen will preserve